



LAND USE COMMITTEE MINUTES

JANUARY 29, 2018

6:00 pm

Sea Pines – Large Conference Room

COMMITTEE MEMBERS

LOCAC Members:

Margaret Mayfield – Chairperson
Lynette Tornatzky – District One
Yael Korin – District One
Larry Bender – District Three
Tim Carstairs – District Four

Public Members:

Julie Tacker
Linde Owen
Robert Mayfield
Paul Hershfield
Trish Bartel

1. GREETINGS AND INTRODUCTIONS

Attendees identified themselves going around the room.

2. AGENDA ITEMS, INCLUDING PUBLIC COMMENT:

VACATION RENTALS- This meeting continues the discussion on how best to address community concerns related to vacation rentals in Los Osos.

The Los Osos Community Plan, currently in the process of being updated, has no specific language or guidelines concerning vacation rentals in the community of Los Osos. There is an opportunity now to include such language in the document, specific to Los Osos, that would align with the broader vision and goals of our community.

The goal of this meeting is to come up with a draft list of recommended vacation rental guidelines that will be brought forward, first to the Land Use Committee, then to the general LOCAC meeting, for further discussion, input and action.

Discussion and comments included the following:

- A. Chair explained the type of vacation rental we are interested in developing guidelines for: an entire home that is rented out multiple times per year for 30 days or less. We are not discussing bed and breakfasts or home stays (where a home owner resides and rents out rooms for 30 days or less while remaining on the property) or rentals for more than 30 days.
- B. The current vacation rental ordinance and some of its provisions (i.e., no on-street parking, max 2 people per room, etc.) and the distance requirements for Cambria, Cayucos and Avila Beach, was briefly reviewed, and how it differed from the Los Osos process, where each vacation rental permit goes through a minor use permit and public review process.
- C. Chair agrees that the policy has been that each VR permit comes before LOCAC for review. The problem has been that we have no specific guidelines on which to base our approval or denial. There is now an influx of VR permit requests in Los Osos because the County has hired an outside consultant to investigate illegal VR's in the County and they are sending out notices to the owners to get a permit. There is increasing concern among community members that without specific regulations on allowable numbers and/or locations, the impact on the residential neighborhoods will be detrimental to our town.
- D. A hotline to report vacation rental violations is mentioned, and the phone number is provided.
- E. The rules for Cayucos do not apply to us- there is recourse and enforcement for the towns listed in the current ordinance, but they do not apply to Los Osos.

- F. As it is now, we need to find legal grounds to deny a vacation rental permit.
- G. The guidelines that we have now are not satisfactory. Some of us drafted a letter. VRs take out affordable housing and the community suffers. It is a county-wide issue. We don't want vacation rentals to affect the fabric of our residential areas. Vacation rentals are a business and should be limited to the business district.
- H. We should look at the last census, the population is 14,000 to 15,000. There are 6500 homes, 63% of these are owner occupied, 30% are rental units- either vacation rentals, the whole house, or a single room. A fraction of the 30% is vacation rentals; around 250. A vacation rental to a family is wonderful for them and does not diminish the neighborhood. We have had a couple of extreme examples of people that disobeyed the rules, but most are good people. We pay a lot in property taxes- a whole house rental will pay the tax. Overlooked is that the bed tax comes back to Los Osos.
- I. A friend sold me on Los Osos and I bought a house. I'd like to do a vacation rental or home exchange. To do this, the property gets improved and gentrification might be expedited, but maybe people would want to move here. A long-term renter is no guarantee that the renter is good. VRBO and Airbnb have accountability. If neighbors complain about the place, people won't want to stay there- I support a 3 strikes rule.
- J. There may be several VR's on a block, but unless something is codified as a quantity per block or a distance requirement, there are no legal grounds to deny another VR.
- K. There may be 250 VR's in Los Osos now but it could grow exponentially in the future. Currently, the burden falls on the neighbors to complain. Why should they have to do anything? The parking is contentious. Vacation rentals invite friends for a party and there are 10 cars. There are only two sheriffs for the entire coastal area so that is no option.
- L. We should tailor the discussion to brainstorm about ways that we can address enforcement.
- M. We have not made the case that there is a problem and regulations are needed.
- N. People are planning for failure if the community doesn't come together on this. I have visited 62 countries and stayed in vacation rentals in 30 of those. We should have VR's in Osos but we need a plan for how many and the number of licenses allowed. We spin our wheels with no guidelines- we need what's reasonable for both sides.
- O. I came to Los Osos looking to buy because in Morro Bay every house was a vacation rental. The sheriff doesn't want to come for problems. I don't want to live in a business neighborhood with beaches.
- P. Banning vacation rentals outright is not a realistic option. The California coastal commission won't allow it. We need guidelines and we should be discussing some suggested guidelines. Also, there is no reason why we can't have guidelines regarding number or location and still keep the minor use permit requirement- it is not an either-or scenario.
- Q. We can have both if the California coastal commission and the board of supervisors approves it. What we do must fit into their boxes, plug into something we have. We should have this ordinance right in front of us. If there are no vacation rentals, we will build more hotels. Art Trinidad is the county's code enforcement person; his number is 781-5601. A typical vacation rental uses the property 25 to 35% of the time. They rent it out 35 to 40% of the time. Sometimes the house is vacant.
- R. I have a vacation rental. It is licensed. Anecdotally, I have not had one single complaint. Maybe the carpet is ruined then I deal with it. The neighbors know me. If there are too many cars there will be an uproar. This could blow me out of the market. It's 2% of housing market, it will never be 7%. 90% of people live here full-time so it's down to 10% that live here part-time. It's a minuscule number, not 700

new vacation rentals into two years. It's supply and demand. Businesses can't survive without the tourist dollar. I can't see how this is bad.

- S. Nuisance is not the only issue. The issue is housing stock. One vacation rental takes one more house away.
- T. I live in Baywood. My concerns are destruction of community. I witnessed how this happened in San Luis Obispo, with neighborhoods being overrun with students.
- U. VR provide a better option for families- they can put the kids to bed and still be together in a house which is different than in a hotel.
- V. We should set a number based on a percentage- simple solution.
- W. Show me that owners are better than renters. Businesses want to capture money- Morro Bay gets 1 million per year. I haven't heard complaints from neighbors on vacation rentals, they're painted as bad with a broad brush, show me the data.
- X. We don't want to be Cayucos, but full-time rentals can be as bad as the part-time rentals. The community needs to be protected whether it's a full-time renter or a part-time renter. The money and taxes from vacation rentals outstrip a full-time rental. Vacationers come here to town to spend money.
- Y. Los Osos is not a destination type of place. I lived in Santa Barbara, it's not that type of vacation renter coming here, it's a different client- they come here to enjoy the community.
- Z. We need to base what we do on data, we can get code enforcement data through the county. It is our job to get our hands on it, to share it and to make recommendations. What is our saturation level? 1000 is too many. Cambria has 350, but only 178 operate as vacation rentals. They get the permits so no one else can get a vacation rental around them. Community fabric is subjective. We need data to back up the guidelines when it gets to the California Coastal Commission. We should put the data on our website.
- AA. Vacation renters are not people invested in our community they just leave. Community is gone if there are too many vacation rentals.
- BB. Chair states that while data can be useful what we really need are principles to guide our decisions and to state what we want our community to look like. It may not be a problem currently, but it will become one if we do nothing. Do we want to place a cap on the number, or allow a certain percentage community-wide or neighborhood-wide? If we can craft some draft language for incorporation into the Community Plan and send this to the County as our policy toward vacation rentals, we can start to review vacation rentals applications, and base our recommendations to support or not support the application, on these agreed upon guidelines.
- CC. The Community Plan is not the same as a regulation.
- DD. The Community Plan articulates goals and a vision for the community. If it goes through the county and the California Coastal Commission then the County will amend the current vacation rental ordinance to include the new regulations for Los Osos.
- EE. I complained about parking issues with a VR in my neighborhood for one year and nothing was done. There were noise violations there was the hot tub problem. There were illegal bedrooms, There were 30 people in the house. I like distance regulations- a 300 foot separation would be better than 100 foot, which is not enough. There should be different numbers in different areas. We should have both the permit process and regulations.
- FF. Thanks for putting in the time on this on the committee and LOCAC. Clearly this is a very emotional issue. I agree we need the data and we need to present something that will fly with the Board of Supervisors, and that will be turned into a regulation. The California Coastal Commission won't go for a

complete ban. As a landlord, we have experienced the lack of affordable housing. When we have a vacancy, we have 25 applicants and they are desperate.

- GG. A lot of people have talked on how a vacation rental is or is not a problem. I'd like to see a cap with controls. I am in Cuesta-by-the-Sea. 60% of the houses are owner occupied, 40% are renters, but we are all friends. People in vacation rentals don't become part of our community- it's a business. If you have a hotel next door, it does have an impact.
- HH. We all love our community and I'm glad we're working this out together. Both sides have opinions and we can work this out. I spent 25 years at the County as an analytical chemist so I appreciate data. We should not rely on data exclusively. Numbers are not sufficient to make decisions. I don't want us to get bogged down on how many there are and how many there aren't. What do we do about it? Communities up and down the coast have vacation rental bans. Not all are based on numbers, but a variety of factors. We should learn from other's research. I've been doing reading on other communities and what their struggles are, and how they were addressed. Do we need tourists to bring in money? How much is the Transient Occupancy Tax collected on vacation rentals what percentage of the general budget? In 2016 to 2017 Los Osos' TOT was .05% of the County's general budget, none of it directed to us.
- II. Vacation rentals provide an opportunity to be here for a short period of time. There is more than one way to accommodate this class of tourist. How much of a percentage of the community do we want them to be? It's like a plan for a business.
- JJ. We need regulations in place or I fear this will no longer be a community. I am afraid some will be highly impacted and some will not. I don't want vacation rentals but it's not realistic, I must be flexible and learn. I've noticed a huge change in Cayucos from even two or three years ago. Please continue this process.
- KK. The Community Plan is the vehicle to implement changes and refinements. The community has gone through this before in 2004. We spent many years on that plan, but it was dead on arrival at the California Coastal Commission. They never took any action. This could go on for 2 to 5 years and we may still get nothing. The Coastal CZLUO - that's the law, that's what the County uses to make decisions. The CCC land use permit takes three to five years, not five to ten years. Contact Kerry Brown. Ask her the shortest path to make decisions. Until the CCC says okay it won't happen.
- LL. There are so many different areas in town. There's the beach, the numbered streets, all with different characters, and reasons to rent in the different parts of town. We need to come up with a plan to address the different communities; each is different. We need to have a registry a place to stay at our objections to get data on how we feel on the density of VRs in the different areas.
- MM. All three hotels in town have expansions approved and they are just waiting to do them so trying to wait for them to be expanded won't happen. There are impacts to a hotel - the neighbors by Sea Pines are upset. In the vacation rental, families with kids, they can all be together.
- NN. Tourist dollars are seasonal and do not support the local economy as reliably as permanent residents. Also, part of the economic health of the community is volunteers. If too many homes are converted to vacation rentals we'll lose people as volunteers for community programs like SWAP and Sweet Springs.
- OO. The Chair asks everyone to make sure they signed in, and asks them to email their comments and suggestions for guidelines. There will be a follow-up meeting to discuss specific guidelines that have been suggested.

3. ADJOURN- 8:30pm